

**COUNTY OF BUTTE**  
**SINGLE AUDIT REPORT**  
**JUNE 30, 2008**

SARJ  
2/25/09

**COUNTY OF BUTTE**

**Single Audit Report  
For the Year Ended June 30, 2008**

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BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Supervisors and Grand Jury  
County of Butte  
Oroville, California

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County of Butte's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Board of Supervisors and Grand Jury  
County of Butte

Internal Control Over Financial Reporting (continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Butte's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A GALLINA LLP Company

*Bartig Basler & Ray, LLP*

Roseville, California  
December 29, 2008



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury  
County of Butte  
Oroville, California

Compliance

We have audited the compliance of the County of Butte, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County of Butte's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Butte's management. Our responsibility is to express an opinion on the County of Butte's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Butte's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Butte's compliance with those requirements.

As described in item 07-SA-1, 07-SA-2, 08-SA-4 and 08-SA-5, in the accompanying schedule of findings and questioned costs, the County of Butte did not comply with requirements regarding eligibility that are applicable to its Medical Assistance Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Board of Supervisors and Grand Jury  
County of Butte

In our opinion, except for the noncompliance described in the preceding paragraph, County of Butte complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-SA-1.

Internal Control Over Compliance

The management of the County of Butte is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-SA-1, 08-SA-2, 08-SA-3, 08-SA-4, 08-SA-5, 08-SA-6, and 08-SA-7 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the

Board of Supervisors and Grand Jury  
County of Butte

accompanying schedule of findings and questioned costs, we consider items 08-SA-1, 08-SA-2, 08-SA-4, 08-SA-5 and 08-SA-7 to be material weaknesses.

The County of Butte's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Butte, California, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Supervisors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A Gallina LLP Company

*Bartig, Basler & Ray, LLP*

Roseville, California  
December 29, 2008

# COUNTY OF BUTTE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Via U.S. Forestry Service:			
Lassen and Plumas Partnership	10.664	--	\$ 18,000
Marijuana Eradication	10.664	--	10,000
Subtotal Direct			<u>28,000</u>
Passed through State Department of Social Services: ✓			
Food Stamps	10.551	--	25,184,232
State Administrative Matching Grants for Food Stamp Program	10.561	--	1,974,357
Subtotal State Department of Social Services			<u>27,158,589</u>
Passed through State Department of Education: ✓			
National School Lunch Program	10.555	--	<u>81,346</u>
Passed through State Department of Health Services: ✓			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557 *	--	<u>1,104,360</u>
Passed through State Controller's Office:			
Schools and Roads – Grants to States	10.665	--	<u>554,358</u>
Total U.S. Department of Agriculture			<u>\$ 28,926,653</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the State Department of Housing and Community Development: ✓			
Community Development Block Grant/State's Program	14.228 *	--	914,111
Community Development Block Grant/State's Program (Program Income)	14.228 *		<u>139,685</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 1,053,796</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Fish and Wildlife Management Assistance	15.608	--	47,882

\* Major Program



# COUNTY OF BUTTE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of the Interior</u> (continued)			
Direct Programs (continued):			
Water Reclamation and Reuse Program	15.504	--	\$ 174,704
Subtotal Direct			<u>222,586</u>
Passed through State Controller's Office:			
Payments in Lieu of Taxes - BML Entitlement	15.226	--	\$ 30,323
Total U.S. Department of the Interior			<u>\$ 252,909</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Supervised Visitation, Safe Havens for Children	16.527	--	45,000
State Criminal Alien Assistance Program (SCAAP)	16.606	--	76,358
Local Law Enforcement Block Grants Program/Justice Assistance Grant (JAG)	16.580	2005-DJ-BX-0747	1,563
Subtotal Direct			<u>122,921</u>
Passed through State Office of Emergency Services: ✓			
Drug Control and System Improvement	16.579	DC06090040	193,610
Marijuana Suppression Unit Grant	16.579	MS06160040	165,327
Subtotal CFDA 16.579			<u>358,937</u>
Crime Victim Assistance - Victim Witness Protection	16.575	VW06250040	83,518
Subtotal State Office of Emergency Services			<u>442,455</u>
Passed through State Board of Corrections & Rehabilitation: ✓			
Juvenile Accountability Incentive Block Grant	16.523	CSA 106-06	12,403
Total U.S. Department of Justice			<u>\$ 577,779</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation: ✓			
Highway Planning and Construction	20.205	--	63,264
Highway Planning and Construction Emergency Relief	20.205	--	76,858
Subtotal CFDA 20.205			<u>140,122</u>

\* Major Program

# COUNTY OF BUTTE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u> (continued)			
Passed through State Department of Transportation (continued):			
State and Community Highway Safety	20.600	--	\$ 152,768
Total U.S. Department of Transportation			\$ 292,890
<u>U.S. Department of Museum &amp; Library Services</u>			
Passed through California State Library ✓			
Library Services and Technology Act	45.310	--	\$ 29,694
Total U.S. Department of Transportation			\$ 29,694
<u>U.S. Department of Education</u>			
Passed through State Department of Alcohol and Drug Abuse ✓			
Programs:			
Safe and Drug-Free Schools and Communities National Programs	84.184	--	400,979
Drug-Free Schools and Communities – National Programs	84.186	--	163,880
Total U.S. Department of Education			\$ 564,859
<u>U.S. Department of Labor</u>			
Passed through State Department of Education:			
Library Services and Technology Act	17.258	--	5,944
Total U.S. Department of Labor			\$ 5,944
<u>U.S. Election Assistance Commission</u>			
Passed through Secretary of State: ✓			
Help America Vote Act	90.401	--	1,573
Total U.S. Election Assistance Commission			\$ 1,573

# COUNTY OF BUTTE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families:			
Temporary Assistance for Needy Families - CalWorks	93.558 *	--	\$ 36,721,636
Temporary Assistance for Needy Families - TANF Incentives	93.558 *	--	128,226
Subtotal CFDA 93.558			<u>36,849,862</u>
Foster Care – Title IV-E:			
Foster Care – Title IV-E - Probation Case Management	93.658	--	637,519
Foster Care – Title IV-E - Probation Preplacement	93.658	--	639,272
Foster Care – Title IV-E - Probation - Eligibility Determination	93.658	--	71,658
Foster Care – Title IV-E - Probation - Training	93.658	--	137,452
Foster Care – Title IV-E - Probation Group Home/ Mo. Visits	93.658	--	47,343
Foster Care – Title IV-E - Foster Care	93.658	--	213,226
Foster Care – Title IV-E - KinGap (4F)	93.658	--	11,005
Foster Care – Title IV-E - Child Welfare Services	93.658	--	5,046,677
Foster Care – Title IV-E - Foster Care Licensing	93.658	--	21,978
Foster Care - AB 129	93.658	--	10,016
Foster Care – Title IV-E - FPSP	93.658	--	220,012
Foster Care - Options for Recovery	93.658	--	193,394
Foster Care - Monthly Visited Group Homes	93.658	--	20,375
Foster Care - Kinship/Emergency	93.658	--	6,137
Foster Care – Title IV-E - Foster Care SB 163	93.658	--	63,979
Foster Care – Title IV-E - Foster Care Assistance (42)	93.658	--	4,092,707
Foster Care – Title IV-E - KinGap (4F)	93.658	--	1,735
Subtotal CFDA 93.658			<u>11,434,485</u>
Adoption Assistance Program:			
Adoption Assistance Program - Refugee Assistance	93.659 *	--	657
Adoption Assistance Program - Adoptions	93.659 *	--	40,684
Adoption Assistance Program - Adoptions - Co.	93.659 *	--	11,240
Adoption Assistance Program - Assistance	93.659 *	--	2,449,302
Subtotal CFDA 93.659			<u>2,501,883</u>

\* Major Program

# COUNTY OF BUTTE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Social Services Block Grants:			
In Home Supportive Services (IHSS) - PSCP - Contract	93.667 *	--	\$ 1,534,035
In Home Supportive Services (IHSS) - PSCP - Individual Provider	93.667 *	--	14,080,352
In Home Supportive Services (IHSS) - PSCP - Individual Provider	93.667 *	--	140,114
Subtotal CFDA 93.667			<u>15,754,501</u>
Independent Living	93.674	--	200,231
Refugee and Entrant Assistance - State Administered Programs	93.566	--	164,930
Voting Access for Individuals with Disabilities - Grants to States	93.617	--	-
Runaway and Homeless Youth	93.623	--	157,866
Medical Assistance Program (Social Services admin.)	93.778 *	--	3,499,565
Subtotal			<u>4,022,592</u>
Subtotal State Department of Social Services			<u>70,563,323</u>
Passed through the State Department of Child Support Services: ✓			
Child Support Enforcement	93.563	--	<u>4,786,959</u>
Passed through State Department of Health Services:			
CEC Aids Surveillance	93.994	--	29,163
Maternal and Child Health Services - Teensmart ✓	93.994	--	86,091
Subtotal CFDA 93.994			<u>115,254</u>
Family Planning Services	93.217	--	88,299
Occupational Health and Surveillance Fatality Assessment and Control Evaluation	93.957	--	20,657
Immunization Grants	93.268	--	316,853
Drug-Free Communities Support Programs Grants (B)	93.276	--	74,055
CDC - Bioterrorism & Pandemic Flu	93.283	--	199,650
CSBG Welfare-OCAP/ CBFRP GR	93.569	--	31,513

\* Major Program

# COUNTY OF BUTTE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Services (continued):			
Medical Assistance Program	93.778 *	--	\$ 1,856,080
HRSA National Bioterrorism Hospital Preparedness	93.889	--	58,690
HRSA Aids Early Intervention Program	93.917	--	206,660
CDC Aids Prevention, Testing and Counseling Programs	93.940	--	158,043
Subtotal State Department of Health Services			<u>3,125,754</u>
Passed through State Department of Mental Health: ✓			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	71,491
Substance Abuse and Mental Health Services Administration	93.243	--	30,000
Substance Abuse and Mental Health Services Administration	93.958	--	1,672,116
Subtotal State Department of Mental Health			<u>1,773,607</u>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	--	746,225
Block Grants for Prevention and Treatment of Substance Abuse - Friday Night Live (FNL)	93.959	--	3,000
Block Grants for Prevention and Treatment of Substance Abuse - Club Live (CL)	93.959	--	3,000
Block Grants for Prevention and Treatment of Substance Abuse Previous Set-Aside	93.959	--	324,308
Block Grants for Prevention and Treatment of Substance Abuse HIV Set-Aside	93.959	--	2,438
Block Grants for Prevention and Treatment of Substance Abuse Perinatal Set-Aside	93.959	--	376,909
Block Grants for Prevention and Treatment of Substance Abuse Drug Testing	93.959	--	54,824
Subtotal State Department of Alcohol and Drug Programs			<u>1,510,704</u>
Passed through State Department of Justice:			
Family Violence Prevention and Services (SAPP)	93.591	--	69,990
Total U.S. Department of Health and Human Services ✓			<u>\$ 81,830,337</u>

\* Major Program

# COUNTY OF BUTTE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>Social Security Administration</u>			
Direct Program:			
Social Security Reporting Program	96.002	--	\$ 65,600
Total Social Security Administration			\$ 65,600
<u>U.S. Department of Homeland Security</u>			
Passed through State Office of Emergency Services:			
State Homeland Security Program (SHSP) (2006)	97.073	--	26,724
State Homeland Security Program (SHSP) (2007)	97.073	--	414,208
Subtotal CFDA 97.073			440,932
Civil Disaster	97.042	--	74,336
Emergency Management Performance Grants	97.042	--	236,250
Subtotal CFDA 97.042			310,586
State Domestic Preparedness Equipment Support			
Program - 03 Homeland Security PT2-1600	97.004	--	(2,050)
Boating Safety Financial Assistance	97.012	--	55,000
Pre-Disaster Mitigation (PDM) Competitive Grants (B)	97.017	--	21,288
FY06 Buffer Zone Protection Program	97.078	--	937,161
Subtotal			1,011,399
Total U.S. Department of Homeland Security			\$ 1,762,917
Total Expenditures of Federal Awards			\$ 115,364,951
<u>Federal Loan Balances With a Continuing Compliance Requirement</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development ✓			
Development:			
Community Development Block Grants/States Program	14.228	--	\$ 1,865,469
Total Expenditures of Federal Awards Including Loans			\$ 117,230,420

## COUNTY OF BUTTE

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Butte. The County of Butte's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Butte provided federal awards to subrecipients as follows:

<u>Federal CFDA #</u>	<u>Program</u>	<u>Amount</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	\$ 19,908
14.228	Community Development Block Grant	<u>467,847</u>
	Total	<u>\$ 487,755</u>

# COUNTY OF BUTTE

## Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

### Note 5: Loans with Continuing Compliance Requirement

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2008 as follows:

Federal CFDA#	Program Title	Amount Outstanding	
		July 1, 2007	June 30, 2008
14.228	Community Development Block Grant/State's Program	\$ 1,865,469	\$ 1,858,807

### Note 6: Program Clusters

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA #	Program Title	Federal Expenditures
-------------------	---------------	-------------------------

#### Food Stamp Cluster:

10.551	Food Stamps	\$ 25,184,232
10.561	State Administrative Matching Grants for Food Stamp Program	<u>2,121,498</u>
	Total	<u>\$ 27,305,730</u>

#### Homeland Security Cluster:

97.004	State Domestic Preparedness Equipment Support	\$ (2,050)
97.073	State Homeland Security Program	<u>310,586</u>
	Total	<u>\$ 308,536</u>

### Note 7: Pass-Through Entities' Identifying Number

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.



**COUNTY OF BUTTE**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008**

**Note 8: Total Federal Awards Expended by CFDA Number**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.778	\$ 5,355,645

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

#### Section 1

##### Financial Statements

##### Summary of Auditor's Results

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unqualified   |
| 2. Internal controls over financial reporting:                                 |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiency identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted?                       | No            |

##### Federal Awards

- |   |             |
|---|-------------|
| 1. Internal control over major programs:  |             |
| a. Material weaknesses identified?  | Yes         |
| b. Significant deficiency identified not considered to be material weaknesses?  | Yes         |
| 2. Type of auditor's report issued on compliance for major programs:  |             |
| Medical Assistance program  | Qualified   |
| All Other Major Programs  | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes         |
| 4. Identification of major programs:  |             |

##### CFDA Number

##### Name of Federal Program

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.228	Community Development Block Grant/State's Program
93.558	Temporary Assistance for Needy Families
93.667	In Home Supportive Services
93.659	Adoption Assistance Program
93.778	Medical Assistance Program

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

#### Section 1 (continued)

5. Dollar Threshold used to distinguish between  
Type A and Type B programs? \$ 3,000,000
6. Auditee qualified as a low-risk auditee under  
OMB Circular A-133, Section 530? No

#### Section 2

##### Financial Statement Findings

None Reported

#### Section 3

##### Federal Award Findings and Questioned Costs

CFDA 14.228	Finding 08-SA-1
CFDA 14.228	Finding 08-SA-2
CFDA 93.667	Finding 08-SA-3
CFDA 93.778	Finding 08-SA-4
CFDA 93.778	Finding 08-SA-5
CFDA 93.558	Finding 08-SA-6
CFDA 93.558, 93.659, & 93.778	Finding 08-SA-7

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

#### Finding/Program

#### Findings/Noncompliance

#### **Finding 08-SA-1**

Community  
Development  
Block Grant/  
States Program  
CFDA 14.228

Award Nos.  
Various  
Year: 2007-2008

*Federal Grantor: U.S. Department of Housing and Urban Development*  
*Pass-Through Entity: State Department of Housing and Community Development*  
*Compliance Requirement: Subrecipient Monitoring*  
*Reporting Requirement: Material Weakness; Material Noncompliance at Compliance Requirement Level*

#### Criteria

The OMB Compliance Supplement states that grantees are responsible for an ongoing monitoring of subrecipients. Subrecipients should be monitored to ensure that the subrecipient is in compliance with the Single Audit compliance requirements. If a subrecipient's total federal expenditures exceed \$500,000, the pass through entity must obtain the subrecipient's Single Audit report and follow up on any findings in the report.

#### Condition

No evidence of subrecipient monitoring activities for either of the two subrecipients was available during the audit.

#### Questioned Costs

We do not question any costs. Although the subrecipients were not monitored, we did not find any evidence of subrecipient costs which appeared unallowable.

#### Perspective

We do not believe any further information would assist in gaining a proper perspective.

#### Effect of Condition

The County is ultimately responsible for compliance with rules and regulations by its subrecipients. Without regular monitoring, the County might not be aware of problems with compliance or performance by its subrecipients.

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-1</b> (continued)	<u>Recommendation</u>
CFDA 14.228	<p>We recommend that the County develop a subrecipient monitoring plan. Some of the steps in the monitoring process include:</p> <ul style="list-style-type: none"><li>• Develop a monitoring plan at the beginning of each program year in order to match available resources with the needs and capacity of funded subrecipients.</li><li>• Standardize monitoring procedures - to ensure consistency and thoroughness in monitoring reviews, grantees should use standardized monitoring checklists or guidebooks. Monitoring procedures should also specify the steps to be followed for monitoring visits.</li></ul>
	<u>Corrective Action Plan</u>
	<p>In response to finding 08-SA-1, subrecipients receiving Community Development Block Grant funds from the County of Butte will be monitored annually to ensure compliance with the requirements of the Community Development Block Grant program. This monitoring will mirror the auditing requirements placed on the County by the California Department of Housing and Community Development. Monitoring will be completed annually by County staff and any findings will be documented and addressed within the program year. Monitoring reports will be retained with other Community Development Block Grant documentation that is available for public review during regular business hours.</p> <p>Please contact Dan Blair, Senior Management Analyst, at 530-538-6182 for additional questions.</p>

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-2</b>	<i>Federal Grantor: U.S. Department of Housing and Urban Development</i>
Community Development Block Grant/States Program CFDA 14.228	<i>Pass-Through Entity: State Department of Housing and Community Development</i>
	<i>Compliance Requirement: Reporting</i>
	<i>Reporting Requirement: Material Weakness</i>
Award Nos. Various Year: 2007-2008	<u>Criteria</u>  On a semi-annual basis, CDBG grantees are required to file a CDBG Financial & Accomplishment Report (FAR). The FARs report several items of information, including reporting total expenditures on the accrual basis of accounting.  <u>Condition</u>  During field work, we requested a reconciliation of the County's general ledger activity to one of the FARs. On review of the reconciliation, it was discovered that an item shown as an accrual in the amount of \$68,266 should not have been accrued.  <u>Questioned Costs</u>  We do not question costs. This was a timing error. However, considering the FARs together, there was no misstatement of expenditures nor a period of availability problem.  <u>Perspective</u>  We do not believe any further information would assist in gaining a proper perspective.  <u>Effect of Condition</u>  Not correctly considering the accruals in the FARs can result in double reporting of expenditures and conversely not reporting valid expenditures at all.

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-2</b> (continued)	<u>Recommendation</u>
CFDA 14.228	We recommend that the County carefully review backup information for accrued expenditures, which are reported in the semi-annual FARs before including such expenditures in the FAR.
	<u>Corrective Action Plan</u>
	For future FARs, back-up documentation will be retained that reconciles the FAR with reports from the County's financial system. This process will ensure that expenditures are reflected in the FAR for the correct reporting periods. For future audits, figures reported in the FAR will have a direct correlation to posted expenditures to ensure compliance and transparency.
	Please contact Dan Blair, Senior Management Analyst, at 530-538-6182 for additional questions.

# COUNTY OF BUTTE

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

### Finding/Program

### Findings/Noncompliance

#### Finding 08-SA-3

In Home  
Supportive  
Services  
CFDA 93.667

Award No. N/A  
Year: 2007-2008

*Federal Grantor:* U.S. Department of Health and Human  
Services  
*Pass-Through Entity:* State Department of Social Services  
*Compliance Requirement:* Allowable Costs  
*Reporting Requirement:* Significant Deficiency

#### Criteria

The In Home Supportive Services (IHSS) program is designed to help low-income elderly, blind, and disabled persons of all ages live safely in their own homes rather than in a nursing home or other group care facility. When a client applies for help under this program, a social worker visits the client's home to assess needed services and to authorize the caregiver's hours. This authorized number of hours is recorded on the SOC 2093 and the state is notified of the "authorized hours." The state prints blank timesheets, which show the authorized hours and mails the timesheets to the caregiver.

#### Condition

We tested 24 cases and noted that in three cases, the caregiver's hours, which the social worker had authorized per the SOC 2093, did not match the authorized hours as shown on the timesheet. In two of these three cases, the caregiver did not work the new authorized hours but instead worked the number of hours as shown on the blank timesheet. This discrepancy resulted in the client being underserved by 11.5 hours in the first case and by 3 hours in the second case. In the third case, the caregiver was not misled by the incorrect number of "authorized hours" on the timesheet and did work for the correct number of hours.

#### Questioned Costs

We do not question costs because this finding did not result in an overstatement of costs.

#### Perspective

The error rate where the caregiver was misled by the incorrect number of "authorized hours" on the timesheet was 8.3%.



## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-3</b> (continued)  CFDA 93.667	<p><u>Effect of the Condition</u></p> <p>The effect of this condition is that clients can receive services at a previously authorized rate, rather than a current authorized rate.</p> <p><u>Recommendation</u></p> <p>We recommend that the County determined whether or not any improvement in the County's internal control system might correct the delay in updating IHSS timesheets with the correct number of hours authorized before the timesheets are mailed by the state to the caregivers. If this attempt to correct the problem is not successful, we recommend that the social worker make additional efforts to notify the caregiver of the revised hours. If the client has memory difficulties, making a short phone call to the caregiver would likely remedy the problem.</p> <p><u>Corrective Action Plan</u></p> <p>Butte County's IHSS staff and support staff have reviewed their process of updating timesheets showing changes in allocated hours for clients/providers and have found:</p> <ol style="list-style-type: none"><li>1. Our standard business practice of mailing amended timesheets to providers with three days of a change is appropriate and will be reviewed for compliance by staff.</li><li>2. Changes of allocated hours are also given to the client, who supervises the provider, via the Notice of Action.</li><li>3. Given these safeguards, it is very unusual for a provider NOT to be paid for all authorized hours.</li><li>4. IHSS support staff will monitor and search for such anomalies until a new procedure is written with the advent of CMIPS II in April 2011.</li><li>5. If any evidence of recurrence is discovered this issue will again be reviewed by the policy team.</li></ol>

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-4</b>	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Medical Assistance Program CFDA 93.778	<i>Pass-Through Entity: State Department of Social Services</i>
Award No. N/A Year: 2007-2008	<i>Compliance Requirement: Eligibility</i>
	<i>Reporting Requirement: Material Weakness; Material Noncompliance In Relation to a Major Program (07-SA-1, 07-SA-2, 08-SA-5 and 08-SA-6 considered together)</i>
	<u>Criteria</u>
	<p>In determining eligibility for the Medical Assistance Program, the County is required to have facts in the case record to support its eligibility determination. The County must use these facts and documents supporting the facts in determining eligibility and the Medi-Cal share of cost. Income is an important component in determining eligibility and share of cost in the various Medi-Cal programs. Internal controls require that income be documented in the file and the income information input into SAWs.</p>
	<u>Condition</u>
	<p>We tested twenty-four cases and located two instances where the information in the file did not support the figures as input into SAWs. In the first instance, the client's <i>net</i> employment income was input but employment income should be input at <i>gross</i>. In the second instance, the employment income of an individual who was living at the client's home but was not receiving Medi-Cal was erroneously input as the client's employment income.</p>
	<u>Questioned Costs</u>
	<p>No costs are questioned. The State of California pays the medical benefit payments for this program. The County has no access to client medical information. Therefore costs could not be questioned.</p>
	<u>Perspective</u>
	<p>We do not believe any further information would assist in gaining a proper perspective.</p>

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-4</b> (continued)  CFDA 93.778	<p><u>Effect of Condition</u></p> <p>When income is not properly input into the SAWs eligibility software, errors can occur both in determining eligibility and computing the share of cost. Such errors can result in payment of medical benefits to individuals who are not entitled to the benefits under the law.</p> <p><u>Recommendation</u></p> <p>We recommend that the County further train staff on recording employment income information in SAWs.</p> <p><u>Corrective Action Plan</u></p> <p>The Department agrees with this finding and will implement the following corrective actions:</p> <ul style="list-style-type: none"><li>• Reminders will be issued to all line staff at team meetings, reinforcing the importance of proper input of income information in to the SAWS system.</li><li>• All Supervisory staff will be reminded of the importance of thorough review of income information when authorizing cases. Corrections will be directly reviewed with staff, to help prevent future errors.</li><li>• Training will be presented to supervisory staff regarding recording employment income information in SAWS, which will be presented to all line staff in unit meetings. Training protocol will be posted to the department's Intranet for ongoing reminder and review.</li></ul> <p>The above described plan will be put in place February, 2009. The contact person for this project is Cristi Roach. Her telephone number is (530) 879-3530.</p>

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-5</b>	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Medical	<i>Pass-Through Entity: State Department of Social Services</i>
Assistance	<i>Compliance Requirement: Eligibility</i>
Program	<i>Reporting Requirement: Material Weakness; Material</i>
CFDA 93.778	<i>Noncompliance In Relation to a Major</i>
Award No. N/A	<i>Program (07-SA-1, 07-SA-2, 08-SA-5 and</i>
Year: 2007-2008	<i>08-SA-6 considered together)</i>

#### Criteria

In determining eligibility for the Medical Assistance Program, the County is required to have facts in the case record to support its eligibility determination. The County must review documentation supporting these facts in determining eligibility and the Medi-Cal share of cost. Property which is owned by the applicant is critical in determining eligibility. Allowable property varies according to the number of person. Allowable non-exempt property is very limited and generally ranges between \$2,000 - \$4,200.

Current income from a checking or savings account must be removed from the balance to determine the value of property in a bank account. In valuing an automobile, the year the car was last sold ("asterisk year"), which is shown on the car's title, must be input into the SAWs system because it changes the value of the car.

#### Condition

We tested twenty-four cases and located seven instances where the property documentation in the file did not support the related information input into SAWs. In four instances the current month's income was not subtracted from the bank account balance. In one instance a bank account was never input. In two instances the asterisk year was input incorrectly into SAWs, causing the vehicle to be under or over valued.

#### Questioned Costs

No costs are questioned. The State of California pays the medical benefit payments for this program. The County has no access to client medical information. Therefore costs could not be questioned.

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-5</b> (continued)  CFDA 93.778	<p><u>Perspective</u></p> <p>The error rate for at least one incorrect item involving property owned by the client in a case is 29.2%.</p> <p><u>Effect of Condition</u></p> <p>When property information is not properly input into the SAWs eligibility software, errors can occur in determining eligibility. Such errors can result in payment of medical benefits to individuals who are not entitled to these benefits.</p> <p><u>Recommendation</u></p> <p>We recommend that the County further train staff on recording bank accounts and vehicles owned by clients in the SAWs system.</p> <p><u>Corrective Action Plan</u></p> <p>The Department agrees with this finding and will implement the following corrective actions:</p> <ul style="list-style-type: none"><li>• Reminders will be issued to all line staff at team meetings, reinforcing the importance of proper input of bank accounts and vehicles owned by clients in the SAWS system.</li><li>• All Supervisory staff will be reminded of the importance of thorough review of property information when authorizing cases. Corrections will be directly reviewed with staff, to help prevent future errors.</li><li>• Training will be presented to Supervisory staff regarding recording bank accounts and vehicles owned by clients in the SAWS system, which will be presented to all line staff in unit meetings. Training protocol will be posted to the department's Intranet for ongoing reminder and review.</li></ul> <p>The above described plan will be put in place February, 2009 The contact person for this project is Cristi Roach. Her telephone number is (530) 879-3530.</p>

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-6</b>	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Temporary Assistance for Needy Families (TANF)	<i>Pass-Through Entity: State Department of Social Services</i>
CFDA 93.558	<i>Compliance Requirement: Eligibility</i>
	<i>Reporting Requirement: Significant Deficiency.</i>
Award No. N/A	
Year: 2007-2008	
	<u>Criteria</u>
	The California State Department of Social Services in administering the California State Plan for Temporary Assistance of Needy Families (TANF) adopted regulations for the administration of the State Plan and published these regulations in the California Department of Social Services Manual of Policies and Procedures. These regulations require that an individual applying for TANF provide a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship.
	<u>Condition</u>
	We tested eligibility in twenty-four TANF cases. In two cases the case files did not contain a birth certificate or other enumerated, alternate documents under the California Department of Social Services Manual of Policies and Procedures, to show birth, age, and citizenship for at least one member of the assisted family. In both of these cases a client self certified birth and citizenship, but there were no later attempts to obtain birth certificate or alternate documentation.
	<u>Questioned Costs</u>
	We do not question any costs. The birth, age and citizenship for the clients was later verified and it was determined that the clients were eligible for TANF.
	<u>Perspective</u>
	We assume an average number of individuals requiring a birth certificate or alternate document is 3.5. That means we tested for 84 persons requiring a birth certificate or alternate document. Therefore, the error rate is 2.4%.

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-6</b> (continued)	<u>Effect of the Condition</u>  Birth certificates or acceptable alternative documents provide vital and reliable information about TANF applicants. Without such documents to prove applicant's birth, citizenship and age, fraud in the number of individuals in a family, critical age distinctions, and citizenship may be difficult to detect, resulting in individuals being granted TANF benefits to which they are not entitled under federal law.
CFDA 93.558	<u>Recommendation</u>  We recommend that the County further train staff on accepting a self certificate as proof of client's birth, age, and citizenship.  <u>Corrective Action Plan</u>  The Department agrees with the findings and has already implemented the following: <ul style="list-style-type: none"><li>• Written training materials were provided to all staff on 9-24-08.</li><li>• All staff reviewed the training materials provided during a training meeting within their individual units.</li><li>• We will continue to provide training throughout the year.</li><li>• Supervisors will check each new case and recertification for the appropriate documentation.</li></ul> The above described plan was effective 9-24-09. The contact person for this project is Ken MacKell. His telephone number is (530) 879-3528.

## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

#### Finding/Program

#### Findings/Noncompliance

##### **Finding 08-SA-7**

Temporary  
Assistance for  
Needy Families  
(TANF)  
CFDA 93.558

Adoption  
Assistance  
CFDA 93.659

Medical  
Assistance  
Program  
CFDA 93.778

Award No. N/A  
Year: 2007-2008

*Federal Grantor: U.S. Department of Health and Human Services*  
*Pass-Through Entity: State Department of Social Services*  
*Compliance Requirement: Allowable Costs*  
*Reporting Requirement: Material Weakness*

##### Criteria

Other departments within the County often provide interdepartmental services to the County Department of Employment and Social Services. Good internal controls require that the County review support for these interdepartmental expenditures and determine that the requirements of OMB A-87 and applicable California Department of Social Services regulations have been met.

##### Condition

In testing for allowable costs, we reviewed several invoices for interdepartmental contract expenditures. For two of these interdepartmental expenditures, we noted that insufficient information was attached to the invoice presented for the audit to show that the charges were allowable. We inquired whether the Department reviews other information to determine that the services have been performed in accordance with the contract and that OMB A-87 and applicable California Department of Social Services requirements were followed. We were informed that these invoices are processed based only on the contract and the invoice presented to us.

##### Questioned Costs

We do not question costs because appropriate documentation did exist. The problem is that this documentation is not reviewed by someone familiar with the requirements of the program.

##### Perspective

We do not believe any further information would assist in gaining a proper perspective.



## COUNTY OF BUTTE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-7</b>	<u>Effect of Condition</u>
CFDA 93.558, 93.659 & 93.778	When interdepartmental charges are not reviewed by a person familiar with the applicable California Department of Social Services regulations and OMB A-87, errors in claiming unallowable costs can more easily occur.
	<u>Recommendation</u>
	We recommend that the Department establish an internal control procedure which will ensure that someone who is familiar with the interdepartmental contract, the applicable California Department of Social Services regulations, and OMB A-87, review and approve all interdepartmental contract charges.
	<u>Corrective Action Plan</u>
	The Department agrees with this finding and will implement the following corrective actions:
	<ul style="list-style-type: none"><li>• The Department of Employment and Social Services will require detailed documentation be included with all invoices provided by other county departments to ensure eligible clients are being served and/or services were provided.</li><li>• This detailed documentation will be reviewed by the contract monitor who is also the program person familiar with the services being provided and is also familiar with the requirements of the program. They will review the documentation to ensure that the services provided are in accordance with the contract scope of work and that the services were provided to clients who are eligible under the program. Once reviewed, they will approve the interdepartmental contract charges for payment.</li><li>• Fiscal staff will then review to ensure that the expenditure is in accordance with the A-87 and other State and County policies.</li></ul>
	The above corrective action plan will be put in place January 2009. The contact person for this is Steve Wallenburg. His phone number is 530-538-7880.

# COUNTY OF BUTTE

## Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

Audit Reference Number	Status of Prior Year Audit Findings
<b>Finding 07-SA-1</b>	<i>Federal Grantor:</i> U.S. Department of Health and Human Services <i>Pass-Through Entity:</i> State Department of Social Services <i>Compliance Requirement:</i> Eligibility <i>Reporting Requirement:</i> Material Weakness; Material Noncompliance In Relation to a Major Program (07-SA-1, 07-SA-2, 08-SA-5 and 08-SA-6 considered together)
Medical Assistance Program CFDA 93.778	
Award No. N/A Original Finding Year: 2006-2007	<u>Recommendation</u>  We recommend that the Department review this omission to request, review, and compare the IEVS to information in the case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and enforce a policy designed to ensure that IEVS information is reviewed and that this review is documented in the case files.
	<u>Status</u>  Partially implemented. The error rate was 2.3% for missing IEVS during the current year, while it was 17.9% for missing IEVS in the previous year. The error rate was 12.5% for unsigned IEVS during the current year, while it was 16.7% for unsigned IEVS in the previous year.
<b>Finding 07-SA-2</b>	<i>Federal Grantor:</i> U.S. Department of Health and Human Services <i>Pass-Through Entity:</i> State Department of Social Services <i>Compliance Requirement:</i> Eligibility <i>Reporting Requirement:</i> Material Weakness; Material Noncompliance In Relation to a Major Program (07-SA-1, 07-SA-2, 08-SA-5 and 08-SA-6 considered together)
Medical Assistance Program CFDA 93.778	
Award No. N/A Original Finding Year: 2006/2007	<u>Recommendation</u>  We recommend that a review process be implemented to ensure that the required annual redeterminations for the Medi-Cal Assistance Program are conducted.

## COUNTY OF BUTTE

### Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

Audit Reference Number	Status of Prior Year Audit Findings
<b>Finding 07-SA-2</b>	<u>Status</u>
CFDA 93.778	Partially implemented. The error rate was 16.7% during testing in the current year, while it was 29.2% in the initial year of this finding.
<b>Finding 07-SA-3</b>	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Adoption	<i>Pass-Through Entity: State Department of Social Services</i>
Assistance	<i>Compliance Requirement: Eligibility</i>
Program	<i>Reporting Requirement: Significant Deficiency</i>
CFDA 93.659	
Award No. N/A	<u>Recommendation</u>
Original Finding	We recommend that adoptions cases be monitored to ensure that all eligibility criteria are correctly documented on the AAP-4 and that both a representative of the Adoptions Agency and the County Welfare Department sign the form.
Year: 2006/2007	<u>Status</u>
	Partially corrected. The error rate was reduced to only 4.2% in testing for the current fiscal year. The error rate in the initial year of testing was 20.8%.

## COUNTY OF BUTTE

### Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

Audit Reference Number	Status of Prior Year Audit Findings
<b>Finding 06-1</b>  Temporary Assistance for Needy Families CFDA 93.558  Award No. N/A Original Finding Year: 2005-2006	<i>Federal Grantor:</i> U.S. Department of Health and Human Services <i>Pass-Through Entity:</i> State Department of Social Services <i>Compliance Requirement:</i> Eligibility <i>Reporting Requirement:</i> Reportable Condition; Material Noncompliance In Relation to a Compliance Supplement Audit Objective  <u>Recommendation</u>  We recommend that the Department review the omission to request, review, and compare the IEVS to information in the case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is reviewed and that this review is documented in each case.  <u>Status</u>  Partially implemented. The error rate for missing IEVS was only 2.4% during the current year, while the error rate was 12.5% for missing IEVS in the initial year of testing. As well, during current year testing, we noted an error rate in unsigned IEVS of 12.5%  <b>Finding 06-2</b>  Temporary Assistance for Needy Families CFDA 93.558  Award No. N/A Original Finding Year: 2005-2006
	<i>Federal Grantor:</i> U.S. Department of Health and Human Services <i>Pass-Through Entity:</i> State Department of Social Services <i>Compliance Requirement:</i> Eligibility <i>Reporting Requirement:</i> Reportable Condition; Material Noncompliance In Relation to a Compliance Supplement Audit Objective  <u>Recommendation</u>  We recommend that the County review its current system of ensuring that the sixty-month, time-on-aid limit is not exceeded and determine whether or not training, a review process and/or a revision to the system is warranted.

## COUNTY OF BUTTE

### Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

Audit Reference Number	Status of Prior Year Audit Findings
<b>Finding 06-2</b> (continued)	<u>Status</u>
CFDA 93.558	Partially implemented. The error rate this year was 4.2%, which is the same as last year's error rate.